

Furness & Millom Catholic Cluster



‘For I know the plans I have for you,’ declares the Lord, ‘plans to prosper you and not to harm you, plans to give you hope and a future.’ (Jeremiah 29:11)

DEBT MANAGEMENT POLICY - SEPTEMBER 2025

Headteacher	Chair of Governors
Signed:	Signed:
Date:	Date:

This policy will be reviewed ~~annually~~/bi-annually/tri-annually

This policy will be reviewed in **September 2028**

This policy has been adopted by the following members of the Furness & Millom Catholic Cluster:
St Columba's Catholic Primary School: Holy Family Catholic Primary and Nursery School: St James' Catholic
Primary School

1. Introduction

This policy has been written to provide clarity and consistency in managing any debts that occur in relation to services provided by the school such as dinners, trips, wraparound care and extra-curricular activities / clubs.

As a basic principle, the school does not offer credit facilities and parents/carers are expected to pay in advance for these services, using the applicable cashless payment system(s). However, it is accepted that emergency or exceptional situations do sometimes occur that mean this principle cannot always be applied and, consequently, that arrears may arise.

As a Catholic community, we recognise that the physical and emotional wellbeing of the children in our care is of paramount importance and that partnership between school and home enables our children to flourish. Within that, the Governing Body has a legal and moral obligation to ensure that the resources school receives are applied fairly, to support and for the benefit of all pupils. It is not in a position to subsidise, on a regular basis, any one child or group of children. An approach has therefore been adopted that, in the first instance, is intended to minimise situations in which debts can be accumulated. Where they do occur, school is committed to working with parents, carers and families to manage and clear those debts without creating hardship but while also minimising detrimental impacts on the school budget and, consequently, on provisions for all pupils.

2. School Meals

Please refer to section 5.3 of the school's Charging & Remissions Policy for information on provision of school meals to children where none has been provided, and on the initial phase in managing debt relating specifically to school meals.

3. Procedure for Collection of Arrears

- i. Where payment for services has not been received in advance, and debt of less than £10 has accumulated, the School Administrator will call or message parents/carers informally to remind them of the amount owed and ask for payment to be made within 7 days.
- ii. Where debt exceeding £10 has accumulated, or debt of less than £10 remains outstanding 7 days after the initial reminder was issued, a first formal reminder letter will be issued (*see appendix 1*).
- iii. If the debt remains outstanding 14 days after the first formal reminder letter was issued, then a second overdue payment reminder will be issued (*see appendix 2*).
- iv. If the debt remains outstanding 14 days after the second formal reminder letter was issued, then a final reminder letter will be issued. The final reminder will make it clear

that legal action will be considered if payment is not received within a further 14 days (see appendix 3).

If it becomes necessary to escalate action then it must be proven that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner. As such, the School Administrator should complete the Debt Management Log Sheet (see appendix 4) at each stage of this process, and to record details of any other relevant contact from or to the respondent(s).

4. Negotiation of Repayment Terms / Write-Off of Debt

Debtors are normally expected to settle the amount owed by a single payment as soon as possible after receiving the first informal reminder. However, in line with the school's Catholic ethos, an appropriately sensitive approach to debt recovery will be implemented. Families facing financial difficulties and struggling to clear a debt should, at the earliest possible opportunity, contact the Headteacher to arrange a confidential discussion.

Repayment terms may be negotiated at the discretion of the Headteacher. The settlement period should be the shortest that is judged reasonable without causing detriment or hardship to the child(ren). A record of all such agreements will be retained by the School Administrator for 7 years, in line with the retention policy for financial documentation. In all cases, a letter will be issued to the respondent confirming the agreed terms for repayment.

In exceptional circumstances, school may agree to write-off a debt. The following factors will be taken into consideration:

- Hardship - where paying the debt would cause financial hardship
- Time - where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay off completely
- Poor Health - where our recovery action might cause further ill health
- Cost - where the value of the debt is less than the cost of recovering it
- Multiple debts - where someone owes more than one debt to the School. In this situation an attempt to agree one repayment plan to include all debts will be established

The thresholds for approval of debt write off are as follows:

Up to £250 – Headteacher, with details including the amount of the write-off and reason why recovery of the debt has not been possible, being reported to, and recorded in the minutes of, the next Finance / Resources Committee meeting

Over £250 and up to £1000 – Finance / Resources Committee, with details recorded in the meeting minutes

Over £1000 – Full Governing Body, with details recorded in the meeting minutes

5. Failure to Respond to Reminders or Settle a Debt

At each Full Governing Body and Finance / Resources Committee Meeting, the Headteacher will inform Governors of any debt that is still outstanding 14 days after a final reminder letter has been issued and for which no repayment terms or write-off has been agreed. Governors will discuss how the debt is to be settled. Where the debtor is deemed to be refusing to pay, or to make sufficient effort to resolve the situation without good reason, the actions could include details being passed to the Local Authority's Accounts Receivable Team and Legal Services with the intention of initiating formal proceedings to recover the debt. In such circumstances, the school may also seek for the debtor to pay the additional costs incurred in recovering the debt.

6. Monitoring, Evaluation and Review

The Headteacher and the School's Governing Body will assess the implementation and effectiveness of this policy. The policy will be promoted and implemented.

This Policy will be reviewed on an annual cycle, in conjunction with the School's Charging & Remissions Policy and Scheme of Financial Delegation.

Adherence to the policy will be monitored by the school's Governing Body.

APPENDIX 1 – FIRST FORMAL REMINDER LETTER

Recipient's Address

Date:

Dear Parent/Guardian

First Reminder Letter – Fees Outstanding

Child(ren)'s name(s)

According to our records there are some outstanding fees for your child/children. The fees are for (service) on the following date(s):

It would be appreciated if you could make payment of £ to clear these arrears within 14 days from the date of this letter.

Please do not hesitate to contact the school office should you have any queries or concerns regarding the above.

Yours sincerely

Headteacher

APPENDIX 2 – SECOND FORMAL REMINDER LETTER

Recipient's Address

Date:

Dear Parent/Guardian

Second Reminder Letter – Fees Outstanding

Child(ren)'s name(s)

Further to our letter dated, our records show that the outstanding fees in the sum of £..... have still not been paid, nor have you contacted the school office to raise any query or concern regarding this issue.

We politely request that you give this matter your prompt attention and that payment be made to clear the arrears within 14 days from the date of this letter.

If you are facing difficulty in making payment of the above-mentioned sum, then you should contact the school office forthwith to arrange a confidential discussion with the Headteacher. A copy of the school's Debt Management Policy, which outlines possible steps including negotiation of repayment terms and circumstances in which write-off / reduction of the debt will be considered, is enclosed for your information.

Yours sincerely

Headteacher

APPENDIX 3 – FINAL REMINDER LETTER

Recipient's Address

Date

Dear Parent/Guardian

Final Reminder Letter – Fees Outstanding

Child(ren)'s name(s)

Despite previous letters sent to you on and, our records show that you have not cleared fee arrears in the sum of £..... or made contact with the school office to discuss the issue.

We must now request that you give this matter your urgent attention.

Following the school's Debt Management Policy, a copy of which was sent to you with our previous letter, I must inform you that if payment is not received within 14 days from the date on which this letter was issued, the Governing Body will be asked to consider taking further action in order to recover the debt. I am obliged to warn that the actions may include the initiation of legal proceedings against you, which could result in a summons to court and school seeking to recover any additional costs incurred.

As has been previously advised, if you are facing difficulty in making payment of the above-mentioned sum, or if you have any other queries in relation to this matter, you should contact the school office forthwith.

Yours sincerely

Headteacher

APPENDIX 4 – DEBT MANAGEMENT LOG SHEET

DEBT MANAGEMENT LOG SHEET

CHILD'S NAME: **SUM OF DEBT:**

CLASS: **SERVICE(S) / DATE(S) :**

Action Details	Contact (Parent/Carer)	Date	Actioned By (Initials)
i) Informal Reminder (Note how contact was made)			
ii) 1 st Formal Reminder Letter			
iii) 2 nd Formal Reminder Letter			
iv) Final Reminder Letter			
Other contacts:			

Action	Details	Date	Authorised By (Head / Governing Body)
Repayment terms			
Write off			
Escalation to LA Accounts Receivable Team / Legal Services			